

1.0 Executive Summary

Grid West will develop a transmission planning and capacity expansion process that will be open to all stakeholders. A Planning Committee will be formed by the Board of Trustees and will be responsible for developing the planning process and associated standards for transmission adequacy, generation interconnection, system reliability, etc. for the consideration and approval of the Board. The Planning Committee will represent all Grid West member classes and may include members of the Board of Trustees. Meetings of the Planning Committee, and any subcommittees it may create, will be open to stakeholder participation. The biennial transmission plan will include consideration of projects (whether wire or non-wire alternatives) proposed by Transmission Owners, project sponsors or other participants in the planning process. The plan will include evaluations of system capability against the transmission adequacy standards, with Grid West exercising backstop authority if needed to meet those standards.

The Planning Committee will be supported by a Grid West planning staff that will be made up of individuals who have technical expertise in transmission system planning and operations, and who have experience within the region covered by the GWMT. The Grid West staff will also be responsible for receiving, evaluating and responding to transmission service requests, assistance with dispute resolution, and such other duties as required to support the Planning Committee and meet the obligations of Grid West as a transmission service provider.

The process for the formation of the Planning Committee would be phased in, beginning with development of biennial plans, the development of standards, and growth of the capability of the Grid West staff. One possible series of steps that might be taken to phase-in planning and capacity expansion is described in this paper.

2.0 Background

When the Regional Proposal was described in December of 2003, the following observations were included on transmission and capacity expansion.

"The Platform Group's sense is that most regional parties support the general approach to planning and expansion set forth in the RTO West Stage 2 filing. The regional proposal builds on this approach. It contemplates that the Independent Entity [Grid West] would begin producing annual transmission plans once it becomes operational, expanding on then-existing cooperative regional planning processes."

*"With respect to expansion, the Independent Entity would begin with the ability to determine the injection/withdrawal rights created by new transmission system construction, and it would also have 'backstop' authority to assure that reliability standards and total transmission capacity requirements are met. As described above, the ability of the Independent Entity [Grid West] to exercise 'backstop' authority with respect to 'chronic, significant, commercial congestion' is subject to the Special Issues List process."*¹

In the intervening months, the Transmission Service Liaison Group (TSLG) has been engaged in defining the market and operational design to be used to implement Grid West's basic features. The TSLG completed the second of four layers of design work in April of 2005 and presented that information in a series of white papers.² This paper uses the RTO West Stage 2 planning and expansion process as the basis for describing the Grid West Planning and Capacity Expansion process at a "Layer 2" level of detail while adopting terminology that is consistent with the other TSLG white papers.

There is also a widely held view in the region that planning should commence as early as possible. This sentiment was clearly expressed during the RRG's discussions in the summer of 2003, and the need for planning and system expansion remains a current concern of the RRG. This desire for early movement on planning is also expressed by a provision of the Grid West Developmental Bylaws that anticipated the possibility of the Developmental Corporation initiating a voluntary planning process prior to the adoption of the operational bylaws.³

The primary content of this paper is divided into two parts. Section 3.0 describes the features of the Grid West planning & capacity expansion process as it would exist once Grid West is fully operational. Section 4.0 discusses the steps that could be taken to build up the required technical competence and planning capability that Grid West will ultimately need to perform all of the functions and duties described in Section 3.0.

In both Sections 3.0 and 4.0, the overall Grid West developmental principles apply, namely that each step in Grid West's evolution should: (1) be a clear improvement over current practice, (2) be workable without further modification [if necessary], and (3) not

¹ "Narrative Description of RRG Platform Group Regional Proposal", December 24, 2003, p. 23, http://www.gridwest.org/Doc/FinalNarrative_RegionalProposal_Dec242003.pdf.

² The white papers can be downloaded at http://www.gridwest.org/TSLG_May2005Papers.htm.

³ §3.1.2 "Regional Transmission Plan and Planning. In addition, the Corporation may develop a regional transmission plan and coordinate transmission planning for Members voluntarily participating in such planning, subject to the Members approving (by the vote provided for in Section 5.14.8) a proposal to undertake any planning activities and the Interim Board or Developmental Board securing voluntary funding for such planning efforts."

foreclose, or introduce unnecessary cost burdens on further evolution of Grid West to the market and operational design described in the white papers previously issued by TSLG.

3.0 Grid West Planning and Expansion under the Operational Bylaws

Under its operational bylaws, Grid West will have an open transmission planning process for determining the expansion needs of the Grid West Managed Transmission System (GWMT). The core of this planning process will be the formation of a Planning Committee formed in accordance with the operational bylaws of Grid West. With support from a Grid West planning staff, the Planning Committee will guide Grid West's transmission planning activities and develop relevant reliability criteria, planning guidelines, transmission adequacy standards,⁴ etc. The planning process will have the following characteristics:

1. Planning for the GWMT will be done on a single-system basis to address overall system reliability, transmission service adequacy, requests for long-term transmission service and integration of proposed transmission expansion projects.
2. The planning process will be open to all stakeholders, with participation anticipated from other federal, state, provincial, local and tribal regulatory authorities and siting agencies.
3. Grid West is envisioned to have specific authority for transmission planning and expansion. The full extent of this authority as it relates to the facilities of Transmission Owners will be specified in the Transmission Agreements to be negotiated between Grid West and the transmission owners prior to Decision Point #3, while the connection between planning and requests for transmission rights and participation of other parties in the planning process will likely be identified in Grid West's tariff. The provisions of the Transmission Agreements will be the same for all Transmission Providers, and they will make Grid West the transmission planning authority for the GWMT.
4. It is anticipated that Grid West's initial backstop authority will be limited to protecting transmission adequacy, responding to transmission service requests for long-term transmission rights and maintaining the transfer

⁴ Transmission adequacy refers to the ability of the GWMT to deliver required power to all, i.e., to keep the "lights on". In addressing compliance with adequacy standards, the question to be addressed will be whether all loads can be served. The cost of the power being delivered to serve the load or the congestion costs incurred in making delivery are not a part of the compliance evaluation. Work currently underway through the Northwest Power Pool is examining transmission adequacy and may well serve as the foundational element of Grid West's regional planning process.

capability of the existing transmission system. Additional authority expansion to address chronic, significant, commercial congestion will be governed by the special issues list process described in the Grid West Operational Bylaws (see subsection 3.5. for further discussion of backstop authorities.)

The rest of this Section 3 describes the target organization and the transmission planning process under the Grid West operational bylaws:

- §3.1 Covers the planning organization, i.e., the Planning Committee and Planning Staff support organization.
- §3.2 Outlines the planning process.
- §3.3 Discusses the roles of the participants in the planning process.
- §3.4 Describes the process for issuing IWRs when transmission expansion projects occur.
- §3.5 Outlines the authority that Grid West will need to carry out planning and expansion, and lists issues that will need to be addressed during the negotiation of the Transmission Agreements.

3.1 Organization

3.1.1 Planning Committee

A stakeholder committee will be organized based on §8.2.1 of the Grid West Operational Bylaws, to advise the Board of Trustees on transmission-planning matters. The Planning Committee may have up to 15 representatives of the Grid West Members appointed by the Board of Trustees. Trustees may serve on the Planning Committee, but are not required to do so. The Board of Trustees will select representatives from each of the Member Classes to serve on the Planning Committee and will endeavor to select individuals who collectively possess an appropriate spectrum of expertise with respect to transmission system planning.

The Planning Committee's meetings will be open to participation by all stakeholders, including transmission owners, transmission dependent utilities, generators, marketers, end users, environmental interests, regulatory interests, etc. The Planning Committee may also form subcommittees as needed to represent regional interests and to address specific activities.

The Planning Committee's roles and responsibilities will include:

- (1) Development of standards for planning, responses to transmission service requests, transmission adequacy, interconnection and operational reliability.

- (2) Submission of a recommended biennial expansion plan that evaluates expansion alternatives and provides recommendations to the Grid West Board.
- (3) Evaluation of proposed transmission expansion proposals as they arise in the interim between biennial plan issuances.

3.1.2 Grid West Planning Staff

The mission of the Grid West Planning Staff will be to support the Grid West Planning Committee. The Staff will also conduct and coordinate service-request studies received by Grid West using a single queue for request processing. The Planning Staff will make recommendations to Grid West Board when requested.

As Grid West builds up and maintains its Planning Staff, it will seek individuals who have technical expertise in transmission system planning and operations and who have experience within the region covered by the GWMT. The staff will make their evaluations and consider transmission needs from an independent, system-wide point of view.

In the execution of its duties and responsibilities, the Planning Staff will:

- (1) Respond to transmission service requests, working in conjunction with Transmission Owner staffs as appropriate to meet the needs of Transmission Customers.
- (2) Provide independent review and coordination of Transmission Owner responses to generation interconnection requests.
- (3) Review system performance against the transmission adequacy standards and in conjunction with Transmission Owners, develop projects as needed to meet those standards.
- (4) Prepare technical studies as requested by the Planning Committee for the development of the biennial transmission plan.
- (5) Maintain a repository of system data to include transmission planning data, and create power flow and stability study base cases and other system models as needed.
- (6) Participate in WECC activities on behalf of Grid West to include the provision of data, coordination of planning, development of standards, etc.

3.2 The Planning Process

3.2.1 Objective

The overarching objective of the Grid West planning and expansion proposal is to have a dynamic, open and unbiased planning process that results in the necessary, appropriate and least-cost expansion of the Grid West Managed Transmission System. Because certain key portions of the GWMT are already heavily subscribed, obtaining new long-term rights will often require transmission system expansion to serve firm load or to meet requests for long-term transmission rights not otherwise available. Grid West's transmission planning and expansion process will address GWMT needs in the most cost-effective manner consistent with meeting reliability standards.

3.2.2 Goals

Under Grid West, a single entity will be responsible for the planning and expansion of the GWMT to ensure an outcome that meets the needs of system users (load growth, delivery of new generation sources, etc.) and maintains or improves existing reliability levels. Additional goals for transmission planning include:

- (1) Provide for expansion of the GWMT (to meet transmissions service requests or incorporated third-party projects) that will enable an open and competitive wholesale market.
- (2) Meet transmission customers' transmission service needs cost-effectively, in a comparable and equitable manner while meeting reliability, performance, operational, and efficiency goals.
- (3) Encourage proposal of other-than-transmission solutions for consideration as options to transmission expansion and as least-cost methods for meeting transmission adequacy standards.
- (4) Enable participant funded third-party expansion of the transmission system.
- (5) When appropriate to the specific circumstances of a proposed project where Grid West's backstop authority is exercised (See 3.5.3 and 3.5.4 below), identify beneficiaries and assign costs as appropriate.
- (6) Provide for recovery of expansion costs that is consistent with the Grid West pricing methodology.
- (7) Review and update planning guidelines, interconnection standards and reliability criteria on an ongoing basis.
- (8) Provide for participation by Grid West in coordinated or joint planning with other interconnected systems.

3.2.3 GWMT Planning Activities

Grid West will prepare a biennial transmission plan that will evaluate the ability of the GWMT to: (1) meet transmission adequacy standards, (2) maintain existing transfer capability and (3) maintain or improve system reliability. In making these evaluations, Grid West will consider both wire and non-wires alternatives. As part of its ongoing duties, Grid West will also conduct studies to respond to transmission service requests that are not covered by the most recent biennial transmission expansion plan.

3.2.4 Grid West Responses to Service Requests

Grid West will receive two types of service requests. A Transmission Service Request is an application for the issuance of Injection-Withdrawal Rights (IWRs) to enable the holder of an IWR to schedule use over the GWMT. A Generator Interconnection Request is an application to physically attach a generator to the GWMT or to those facilities of a Grid West Transmission Owner that are not a part of the GWMT but over which energy must flow to reach the GWMT.

- (1) Response to Transmission Service Requests. For service using the facilities of the GWMT, Grid West will be responsible for the evaluation of the request for IWRs. Depending upon the nature of the request Grid West will either conduct its own studies in conjunction with the applicant, or it will work on joint studies with the applicant and Transmission Owner staffs where appropriate to obtain necessary expertise and evaluate the impact on both the GWMT and local facilities. For service using only facilities of Grid West, Transmission Owners that are not part of the GWMT (i.e. generally at lower voltage facilities), Grid West will assign the request to the appropriate Transmission Owner, will monitor the study activity and if needed provides dispute resolution to resolve the applicants request for transmission rights.⁵

⁵ A Transmission Owner, in consultation with its customers and appropriate state entities, has planning authority for transmission service on its transmission facilities that are not part of the GWMT, including those facilities needed to serve wholesale transactions. These wholesale deliveries occur using facilities of the Transmission Owner that are not a part of the GWMT, i.e., they are lower voltage or radial facilities that are not part of the "main grid." However, to the extent that local service uses the GWMT the use of the GWMT will be included in the planning process. Because majority of the load served by such facilities is usually the retail loads of the Transmission Owner, state regulatory authorities have a substantial interest in the standards used for expansion of the facilities and in the cost implications of those standards. However, if a Transmission Customer is not satisfied with the results of the Transmission Owner's planning process (including the result of related state planning processes) for such facilities used

- (2) *Response to Generator Interconnection Requests.* – Grid West will develop interconnection standards and will work with the appropriate Transmission Owner to facilitate a response to a given request for generator interconnection. Grid West will monitor responses to generation interconnection requests and provide dispute resolution as needed.

3.2.5 The Biennial Transmission Plan

The transmission plan will have a six-year horizon for consideration of specific projects and a ten-year horizon for consideration of strategic concerns such as transmission corridor usage. The topics to be considered in the plan will include:

- Maintaining or improving reliability of the GWMT.
- Evaluating transmission adequacy, specifically the ability of the system to meet the load growth obligations of the network, whether for retail “native load” or to meet contractual obligations for network transmission service.
- Evaluating opportunities for reducing congestion on the system.
- Maintaining existing transfer capability.
- Identifying opportunities for improvement of the GWMT.
- Identifying transmission customer needs, concerns, and service gaps.
- Evaluating of proposals from Transmission Owners and stakeholders.
- Incorporating consideration of non-wires alternatives.

The plan will include information collected from Transmission Owners and stakeholders regarding:

- Alternatives for usage of limited transmission corridors.
- Identified projects and their purposes (e.g., to address transmission adequacy or to acquire new transmission rights that will relieve congestion) and the identity of the proponents, project sponsors or project participants as applicable. This will apply to all projects

to provide wholesale transmission service, the Transmission Customer will be able to use the Grid West dispute resolution process as provided in the Transmission Agreement before taking their concerns to the Federal Energy Regulatory Commission (“FERC”). Specific resolution of these issues will be covered in later development work on the Transmission Agreements and tariffs to be filed by Grid West and the Transmission Owners.

whether or not the projects have been arranged by Grid West or proposed by others.

The plan will be coordinated with other entities such as the WGA, WECC, NWPP, CAISO, etc. including submission of data for joint studies, report preparation or similar activities that address transmission concerns within the Western Interconnection.

3.3 Roles of Participants in Planning Process

3.3.1 Role of Federal, State, Provincial, Local and Tribal Agencies

Grid West's Governmental Committee is expected to be an active participant in the planning process, increasing awareness of needs and providing a means to facilitate siting and cost allocation of projects. Grid West will work actively with federal, state and tribal regulatory authorities and siting agencies to determine how they might best participate in the Grid West planning process to both provide policy input and make future review and approval of projects and the recovery of expansion costs as efficient as possible.

3.3.2 Role of Transmission Owners

Transmission Owners will be active participants in the planning process for the GWMT – providing data, performing studies as appropriate, proposing project plans and implementing solutions. Transmission Owners will also conduct their own planning studies for more localized service not using GWMT facilities and will provide for integration of local transmission expansion with Grid West planning activities as appropriate.

3.3.3 Role of Non-Transmission Owners

Non-transmission owners (transmission dependent utilities, generators, marketers, end users, consumer and environmental interests) are expected to be active participants in the Grid West planning process as members of the Planning Committee and its subcommittees. As is true for any participant in the planning process, non-transmission owners may propose projects (both wire and non-wire alternatives) that are consistent with Grid West's planning guidelines and reliability criteria for evaluation in the biennial plan. They may also become project sponsors, responsible for financing and construction of such projects.

3.3.3 Role of the Grid West Board and Staff

The Grid West board is responsible for formation of the Planning Committee, the development of the transmission plan and related standards and, when needed, the exercise of their backstop authority as described in 3.5.3 and 3.5.4 below. The role of the Grid West Staff is described in 3.1.2 above.

3.4 Transmission Expansion and IWRs

In order to allow parties to make long-term commitments for resources and permit generators to secure funding for projects, long-term transmission rights must be made available to transmission customers. When Grid West begins operations it will issue such new transmission rights in the form of Injection-Withdrawal Rights (IWRs). When new transmission construction occurs, the transfer capability of the GWMT will be expanded and the issuance of additional IWRs will be enabled.

- (1) When Transmission Owners are required to undertake expansion to meet a transmission service request, IWRs will be issued to the requesting party that are consistent with the capacity requested and/or the upgrades financed by the requesting party. The IWRs issued will be priced in accordance with the Grid West pricing methodology for Transmission Owner cost recovery.
- (2) If any party acting as a project sponsor wishes to directly fund and build an expansion project, the sponsor can make a request for a set of desired IWRs that are made possible by that expansion. The IWRs need not be directly associated with the specific facilities constructed; rather the IWRs requested by the sponsor would be from among the potential set of IWRs made possible by the construction. Grid West will evaluate the sponsor's IWR request, and prior to commencement of construction Grid West and the sponsor will negotiate the specific set of IWRs to be issued when the project is energized.
 - In general, the project sponsor will be responsible for all costs of the project unless benefits can be shown which result in avoidance of other projects that would otherwise have been built. The details for considering the allocation of costs to parties other than the project sponsor for recovery through tariff rates will be considered during the next stage of Grid West development.
 - If not already a Transmission Owner, the project sponsor will also be expected to sign a Transmission Agreement which allows Grid West to integrate the new facilities into the GWMT. Execution of a Transmission Agreement will be a condition of interconnection of the facilities, the issuance of IWRs and any allocation of a portion of the project costs for recovery through tariff charges.

- (3) When additional transfer capacity is made available from facilities that are included in Company Rates, e.g., when a project is constructed to meet transmission adequacy standards as load grows, any residual capacity not committed to that load growth will be made available through transmission service requests in the same way that existing capacity is made available and will be priced accordingly with appropriate allocation of revenues among Transmission Owners to assure that those funding an upgrade will receive full recovery of the investments made.

3.5 Planning and Expansion Authority

The GWMT will be created by the execution of Transmission Agreements between Grid West and the Transmission Owners. The responsibilities, duties and authorities, of both Grid West and the Transmission Owners, will be governed by the Transmission Agreements. This subsection describes the types of authorities that Grid West will need to carry out the responsive planning and expansion process described above. This subsection also discusses the interplay of responsibilities among the parties that will need to be resolved in the negotiation of the Transmission Agreements. This list of issues is not exhaustive, but rather is representative of the issues to be resolved.

3.5.1 Study Authority

Grid West will conduct studies of the transmission system for preparation of the biennial transmission plan and to respond to transmission service requests. Much of the data for such studies must be provided by the Transmission Owners. Within the Transmission Agreement, the data obligations of the parties must be determined to include authorization to use data provided by Transmission Owners to meet the purposes of Grid West, responsiveness of Transmission Owners to requests for data from Grid West, confidentiality requirements, the scope of public access to transmission system data provided, etc.

3.5.2 Approval of Expansion Projects

As the manager of the GWMT's transmission capability, Grid West will be a central clearing-house for all projects that affect transfer capability within the GWMT. In order for Grid West to fulfill this role, the Transmission Agreement needs to specify:

- (1) The authority granted to Grid West to approve projects and provide for their integration into the GWMT.

- (2) The obligations of the Transmission Owners to either build facilities or assist others⁶ who wish to build.
- (3) The authority and degree of control over the facilities that are part of the GWMT (a) to be exercised by Grid West and (b) to be retained by the Transmission Owners (for instance emergency actions, periodic maintenance, switching, etc.)
- (4) The responsibilities of the Transmission Owners for transmission facilities that are not part of the GWMT, including Transmission Customers' access to Grid West dispute resolution regarding service over facilities not part of the GWMT.

3.5.3 Transmission Service Request Expansion Authority

As the transmission service provider for the GWMT, Grid West will have the obligation to respond to transmission service requests, i.e., the transfer of the Transmission Owners' current OATT responsibilities. Grid West will perform studies in response to transmission service requests and will develop a plan of service to meet the transmission customer's needs. The Transmission Agreement will establish the obligations for Transmission Owners to build to meet these service requests and provide for the recovery of the Transmission Owner's costs for such construction from the party who made the transmission service request.

3.5.4 Initial Backstop Authority

Grid West is envisioned to have specific backstop authority under which it could cause transmission expansion to occur and, if necessary, allocate costs of expansion among Transmission Owners and Transmission Customers in order to:

- (1) Meet transmission adequacy standards. When studies of compliance indicate that transmission adequacy standards have not been met, Grid West will need authority to correct the inadequacy.
- (2) Maintain transfer capability. If transfer capability of the existing transmission system is reduced below currently established levels, Grid West will need the authority to require that the original transfer capability be restored.

The Transmission Agreements will establish the contractual obligations between Grid West and a Transmission Owner, the duties and rights of each party and the consideration that passes between them for performance under the agreement. For instance, the Transmission Agreement needs to specify

⁶ For instance the exercise of eminent domain authority, the use of shared rights-of-way, etc.

the conditions that Grid West must satisfy before it can cause a Transmission Owner to build when Grid West is exercising its backstop authority. This should include the tests for determining when a need is unmet, provisions for notice to the Transmission Owner with an opportunity to respond and resolve difficulties, and finally, if Grid West exercises the backstop authority, the obligations of Transmission Owners to assist Grid West in obtaining rights-of-way, interconnection to owners' facilities, etc.

3.4.5 Chronic, Significant Commercial Congestion Expansion Backstop Authority.

Under the Grid West model of physical, flow-based transmission rights, there will be no explicit transmission congestion-cost charges made by Grid West. The cost of transmission rights acquired in the Reconfiguration Service (RCS) auctions will provide a de-facto congestion cost, particularly in the Day-Ahead auction.⁷

- (1) Because the physical rights model requires that a party hold transmission rights prior to scheduling, congestion is primarily managed before the fact.
- (2) The availability of long-term rights through transmission service requests plus the opportunity for third-party construction of new transmission facilities is intended over time to mitigate limitations in the availability of short-term transmission rights from RCS auctions.
- (3) However, because the impact of congestion on transmission costs (as reflected in high prices in the RCS auctions) may be scattered among many parties, affected parties may not step forward to sponsor projects to eliminate chronic, significant commercial congestion and instead may wait for some other party to act.
- (4) In such a circumstance it may be in the communal interest of all transmission customers to have Grid West act to expand the transfer capability of the GWMT and allocate the cost among the beneficiaries.

The Grid West bylaws anticipate this possibility; however, before exercising this backstop for the first time, the Grid West Board of Trustees, must satisfy the requirements described in the "Developmental Bylaws for Grid West", dated December 10, 2004.⁸ These provisions require, among other things, member notification and a vote of the Members Representatives Committee. In addition each time this backstop authority is exercised, Grid West must make a determination, in consultation with the Market Monitoring Unit, that specific

⁷ (See Congestion Management White Paper at http://gridwest.org/Doc/Redraft_Congestion-Mgmt_v1-0.pdf for more detailed discussion of congestion management under the Grid West proposal.)

⁸ Specifically subsections 7.12.3, 7.16.2, 7.16.7 and 7.16.8.

instances of market failure precluded cost-effective mitigation of chronic, significant, commercial congestion by others. The Transmission Agreement will have provisions consistent with the bylaws for exercising this backstop authority.

4.0 A Phased Implementation Concept

In many ways, transmission planning is an idiosyncratic activity. Not only are the required skills limited to a relatively small number of practitioners, but the nature of the problems encountered is also very much a function of the particular topology of the power system network in a given geographic region. For this reason, system-specific experience is far more important than it would be in, say, a communications network where equipment and configurations are standardized across North America.

As a new organization Grid West will need time to build a technical staff and acquire the institutional knowledge needed to meet its full planning and expansion duties. In the interim, as Grid West builds its technical capability, it will rely on the technical expertise of the planning staffs of the Transmission Owners. This section describes a series of three steps for moving from start-up to a fully functional planning operation at Grid West. Step 1 could be quite short (a few months) with the first two steps being part of the same continuum of activities for initiating planning activity. There may be other, better ways to make this transition to Grid West planning; however this suggestion is provided to demonstrate that at least one feasible way exists to make such a transition. Further discussion, and an alternative approach to initiating planning and capacity expansion activity, can be found in the TSLG White Paper "Grid West Implementation Options Report", July 2005.

4.1 Step 1 – Coordinated Studies & Data Repository

Organization. Step 1 would be a preparatory step to provide for the formation of the Grid West Planning Committee and of a small Grid West staff (1-3) to support the Planning Committee's initial activities. The timing and duration of Step 1 would be determined in the next layer of Grid West development work.

Planning Process. The Planning Committee's primary assignment during Step 1 would be the development of the Grid West planning process. As the planning process is being developed, Grid West should participate in existing joint transmission planning activities such as RMATS and NTAC to provide continuity and to build Grid West expertise. Grid West should also begin to build its transmission planning data repository.

Service Requests. Working with the Planning Committee, the Grid West Staff would develop procedures for operation of a regional service request queue and address a standardized contract path ATC methodology for use until Grid West can begin to issue flow-based IWRs in Step 3. Transmission Owners would continue to receive and process transmission service requests, sharing information on requests with Grid West acting only as an observer during Step 1. As an independent third party, Grid West could also be called upon to assist in the resolution of disputes over transmission service requests or generation interconnection requests.

Authority. Grid West would be authorized to collect data, build and administer a data repository, and involve the Planning Committee in joint study activities. The Transmission Owners would continue as the transmission service providers for new service, and Grid West would act only as a support organization.

4.2 Step 2 – Begin Planning & Centralized Service Requests

Organization. Step 2 could be a stable operating state as well as provide a means of moving to Step 3. Having established a planning process, the Planning Committee would now begin its first cycle of biennial transmission planning. The Grid West Staff would be increased (to 4-8) to support the activity of the Planning Committee and to provide transmission service request processing to Transmission Owners on a contractual basis.

Planning Process. In Step 2, the Planning Committee would begin its transmission planning activities to build the first biennial transmission plan for Grid West. In doing so, it would share the transmission planning data repository with Transmission Owners and others as appropriate. To the extent needed to integrate previous work into the first biennial transmission plan, Grid West would continue to participate in the completion of pre-existing joint transmission planning activities such as RMATS and NTAC.

Service Requests. The Grid West Staff could begin operation of a regional service request queue, providing request-processing services to Transmission Owners on a contractual basis. Transmission service would be provided under the Transmission Owners' tariffs. During Step 2, Grid West would not be a provider of transmission service. Until Grid West has operational authority, it could not issue any right by itself. However it could serve to minimize the difficulty of making a set of requests to multiple providers for what is in effect a single service ($A \rightarrow B$). By starting to build a single request queue early, it may be possible to consolidate outstanding requests and begin to examine responses from a single-system point of view. Grid West could provide administrative services for the queue and provide or contract for added study support if needed by Transmission Owners. Grid West function, however, would be that of a contractor or agent to the Transmission Owners that has

an independent view of the service requests. As in Step 1, Grid West could provide assistance during dispute resolution between Transmission Owners and Transmission Customers over transmission service and generation interconnection requests.

Authority. Grid West would be authorized to collect data, build and administer a data repository, and represent the Planning Committee in joint study activities. It would also be authorized to provide contractual services to Transmission Owners for service request processing. In such an arrangement, Grid West could receive service requests on behalf of a Transmission Owner and provide assistance in processing those requests. However, the Transmission Owner would remain as the transmission service provider for new services under its existing OATT.⁹ Grid West would not be an operational entity with its own tariff. In addition to providing a service to Transmission Owners and potentially simplifying the service request process for Transmission Customers, this suggested approach would provide a means for Grid West to build expertise and technical capability for transition to a functional organization operating under its own tariff in Step 3.

4.3 Step 3 – Full Operational Responsibility (Issuance of IWRs Commences)

Organization. In Step 3, the Grid West Planning Committee would continue with the biennial transmission planning process initiated in Step 2. When Grid West begins to issue IWRs, the Grid West Staff would be increased as needed to meet demand (in the range of 10-15 employees).

Planning Process. The preparation of biennial transmission plans would continue from Step 2 and would include transmission adequacy evaluations appropriate for Grid West's backstop expansion authority. Grid West would continue to share transmission-planning data and provide a repository for that data, with the assistance of Transmission Owners and others as appropriate.

Service Requests. As an independent, operational entity with its own tariff, Grid West would operate a single, regional transmission service request queue and have the primary responsibility for processing requests for transmission service, using Transmission Owners support as needed to supplement Grid West's technical expertise. Grid West would begin issuing new transmission rights on single system basis as IWRs. Grid West would also provide queuing service for generator interconnection requests under standardized interconnection requirements, but processing remains with Transmission Owners. Grid West will provide dispute

⁹ Until Grid West becomes operational for scheduling of GWMT, it will not be in a position to issue IWRs on a system-wide basis. Prior to that time, service would have to be provided under owner tariffs.

resolution services for generation interconnection requests under an equitable dispute resolution process that will be developed as part of the Grid West tariff.

Authority. Grid West would continue to be authorized to collect data, build and administer a data repository, represent the Planning Committee, with its approval, in joint study or seams activities. In addition it would have authority to receive generation interconnection service requests, process transmission service requests, and exercise backstop authority, including allocation of expansion costs if necessary. Transmission Owners would receive generation interconnection service requests through Grid West and assist Grid West as necessary in responding to transmission service requests. Grid West would become a transmission service provider for all new service, i.e., issuing IWRs. Transmission Owners continue as transmission service providers for existing services as of the date of the transition of Grid West to transmission provider status.